

ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
7:30PM COMMUNITY SAFETY BUILDING
3/2/11

ATTENDEES:

McGaffigan*	Bayer*	Jenkins	Phelps	Corredera*
DeCoursey	Connors*	Simmons*	Gibian*	
Tosti*	Foskett*	Deyst	Ronan*	
Ferrara*	Franclemont*	Jones*	Deshler*	
DuBois	Howard*	Fanning*	Carman	Turkall*

* Indicates present

VISITORS: Treasurer Stephen Gilligan, Selectman Anne LaCourt, School Committee Chair Joe Curro. Resident Gordon Jamieson

MINUTES of 2/28 accepted as corrected. Unanimous

ART 51 CONSOLIDATION OF TOWN & SCHOOL DEPARTMENTS: Jones, using a handout (Ref 1) supported by LaCourt & Curro stated that the purpose of this article is to improve the consistency and transparency of the financial functions. He stated that the consolidation carried out in Barnstable (Refer Ref 3 Minutes of 2/28/11) is a model for what he would like to see here. He sees the payoff as improved efficiency and improved trust in the Town finances by the residents. The Manager, Superintendent in consultation w/ other officers would draft a plan for consideration by the 2012 Town meeting. LaCourt thinks the BoS will support. Curro says the School Committee will discuss in next executive meeting. He supports the idea. The independence of the School Committee will be protected by procedure as laid out initially in a MOU. Gilligan asked several questions (Ref 5).

BUD 24 INSURANCE: FinSubCom(McGaffigan) presented the insurance budget. He recommended the budget as printed, explaining that the EF offsets had already been applied along with the Medicaid reimbursement. After members asked questions indicating that they were not following very well, McGaffigan agreed to prepare a handout that would be more complete.

RETIREE HEALTH INSURANCE: Tosti requested support for an appeal to the BoS to make 2 changes.

1. Redirect the increase in retiree health insurance premiums that occurred when the Town/Retiree split increased to 18/15 from the OPEB Fund to the Insurance Budget. This amount was \$155k last year.

2. Increase the Town/Retiree split to 75/25, perhaps in steps over several years. According to an opinion provided by outside counsel (Ref 2) employees may bargain for future retirement rights, however no such agreements have been made. Tosti stated that had the town employees voted to join GIC, the BoS would have lost their authority to make this change. He also noted that because of Medicare, most retiree health insurance costs are much less than active employee costs.

VOTED to support the Chair on change 1. Unanimous

VOTED to support the Chair on change 2. 10-3

ART 64 MISCELLANEOUS VOTED \$9540 to reimburse claims made by police officers retired on disability. Unanimous

BUD 18c FIRE: PubSafeSubCom(Bayer) reported that the overtime account has been overrun but that the overrun will probably be covered by vacant position salaries. Neither holiday double time nor vacation buyback is budgeted although both must be paid. Manager may ask BoS to reduce minimum manning to 14. For FY12, there will be 2 fewer firefighters and 2 others will be paid from the ambulance revolving fund. Fuel costs are locked in by a one year contract. Bayer recommended the budget as printed.

VOTED \$5,282,657 Unanimous.

BUD 14 PLANNING: GenGovSubCom(Howard) Reported that the \$20k Otherwise Classified line item is actually Contract Services. The Director would like to hire a part time experienced person to manage the buildings under her control. She would also like to get help in community outreach to develop buy in for a Master Development Plan. Howard recommended the budget as printed.

VOTED \$222,421. Unanimous

BUD 16 ZBA: GenGovSubCom(Howard) noted the savings associated w/ a new Step 1 clerk. He also reported the number of hearings in CY10, an increase over 2009.

VOTED \$18, 084 Unanimous.

ART 41 CENTRAL SCHOOL BRICKS: Jack Jones reported by letter (Ref 3) that Planning will not fund his project.(Refer minutes of 2/16). Howard to discuss w/ Director of Planning.

ART 36 & 37 23 MAPLE ST FinCom received a letter from Director Of Planning providing info on this building.(Ref 4)

Ref 1 Consolidation supporting material

Ref 2 Letter from John Foscett concerning retiree health care

Ref 3 Letter from Jack Jones concerning bricks in front of Senior Center.

Ref 4 Letter from Carol Kowalski concerning 23 Maple St.

Ref 5 Questions asked by Treasurer Gilligan

COMMITTEE: Meeting on 3/7 canceled.

RESERVE FUND BALANCE- \$916,740

Peter B Howard 3/3/11 Revised 3/9/11, 4/3/11

cc FinCom Members, Library File, Town Web Site

VOTE SUMMARY – Articles

# 2/10	#	#	Title	Date Heard	Date Voted	Status (Unlisted votes were unanimous)
14			Affordable Housing Requirements	2/9		
15,16			Assisted Living	2/9		
21			Closing Of Warrant	2/16		Wait for BoS
22			Standing Votes	2/16		Wait fot BoS
23			Snow Shoveling	2/9		
30			Civil Service Exemptions	2/9		
32			GIS Health Reimbursement Accounts	2/9,2/23		Requested wording
33			Antenna Leases Renewal	2/9		
34			PAYT Program	2/14		
35			Trash Removal Enforcement	2/14		
36			Transfer of 23 Maple St	2/9		
37			Disposition of 23 Maple St	2/9		
38			Disposition of Parmenter	2/9		
39			Disposition of Crosby	2/9		
40			Crosby School Land	2/16		
41			Brick Curb Cut Policy	2/16		No report
42			Bricks Replacement Senior Ctr	2/16		Requested info
43			Reserve Fund Policy	2/14	2/14	No action
44			Consolidate Human Resource Dept	2/9		
45			Human Resource Dept Pay Plan	2/9		
51			Consolidation Finance Depts	3/2		
54			Collective Bargaining	2/9	2/9	Report @ TM
55			Positons Reclssifications			
56			Budgets			
57			Capital Budget	2/28	2/28	\$8,448,540
58			Sidewalks on MassAve			
59			Sewers	2/9		
60			Water	2/9		
61			Minuteman Tech			
62			Committees & Commissions	2/9	2/16	\$14,760
63			Celebrations	2/9	2/16	\$10,167
64			Misc Appropriations-Indemnity	2/9	3/2	\$9,540
65			Water Bodies	2/23	2/23	No action
66			Water Bodies	2/23	2/23	\$20,000
67			Pension Adjustment	2/7		
68			OPEB	2/7		
69			Increase COLA Base	2/7		
70			Increase Survivors Benefits	2/7		
71			Local Option Taxes			
72			Tip Fee Stab Fund			
73			Transfer of Cemetery Funds			
74			Overlay Reserve			
75			Stabilization Fund			
76			Free Cash			

VOTE SUMMARY-Budgets

#	Title	Date Heard	Date Voted	Amount	Vote Unlisted votes were unanimous
1	FinCom	2/16	2/16	10618	
2	Board of Selectmen				
3	Town Manager	2/23	2/23	399995	
4	Personnel				
5	Information Technology				
6	Comptroller	2/23	2/23	388576	
7	Treasurer				
8	Postage				
9	Assessors	2/28	2/28	295315	
10	Legal	2/23	2/23	409219	
11	Town Clerk				
12	Registrar of Voters				
13	Parking				
14	Planning	2/28	3/2	222421	
15	Redevelopment Board				
16	Zoning Board of Appeals	3/2	3/2	18084	
17	Public Works				
17g	Street Lights				
18a	Community Safety Admin				
18b	Police				
18c	Fire	3/2	3/2	5282657	
18d	Support				
19	Inspections				
20	Education				
21	Library	2/16	2/16	1804517	
22a	Health & Human Services				
22b	Veterans				
22c	COA				
23	Retirement				
24	Insurance	3/2			
25	Reserve Fund				=
W&S EF	Rev Exp				
Rec EF	Rev Exp				
Rnk EF	Rev Exp				
COA EF	Rev Exp				
Youth EF	Rev Exp				

Current Staffing - Arlington

Comptroller's Office		
Position	FTE	FY 11 Compensation
Comptroller	1.0	\$115,957
Asst. Comptroller	1.0	\$65,229
D.P. Admin. Asst.	0.5	\$23,378
Junior Acct.	1.0	\$43,829
Principal Acct./Bookkeeper	1.0	\$41,655
TOTAL	4.5	\$290,048

Treasurer/Collector's Office		
Position	FTE	FY 11 Compensation
Treasurer	1.0	\$90,474
Asst. Treasurer	1.0	\$78,134
Cash Manager	1.0	\$50,143
Asst. Collector	1.0	\$44,115
Asst. Collector	1.0	\$43,915
Asst. Collector	0.86	\$37,294
Head Cashier	1.0	\$41,653
Treasurer Asst.	1.0	\$41,855
Principal Clerk/Bookkeeper	1.0	\$41,855
Management Analyst	1.0	\$54,880
TOTAL	9.86	\$524,318

Assessor's Office		
Position	FTE	FY 11 Compensation
Director of Assessing	1.0	\$105,805
Office Manager	1.0	\$59,623
Data Collector	1.0	\$49,543
Senior Clerk Typist	1.0	\$35,013
Senior Clerk Typist	1.0	\$14,613
TOTAL	5.0	\$264,597

Purchasing		
Position	FTE	FY 11 Compensation
Purchasing Officer	1.0	\$79,523
TOTAL	1.0	\$79,523

School Business Office		
Position	FTE	FY 11 Compensation
Chief Financial Officer	1.0	\$107,120
Manager of Purchasing	1.0	\$32,500
Business Office	1.0	\$50,612
Business Office	1.0	\$85,854
Business Office	1.0	\$50,062
Business Office	1.0	\$50,062
Business Office	1.0	\$39,890
TOTAL	7.0	\$416,100

TOTALS

27.36

\$1,574,586

Finance Division Consolidation Concept

The Goal

To improve the level of financial services provided to all departments, elected officials and citizens of the town without increasing the cost of providing those services.

How Will We Get There?

In order to proceed with such a change we need the unequivocal support from both elected bodies as well as town and school management. Anything less will compromise the effort. The employees of the finance division need to know that management and elected officials support their efforts. Additionally, this effort should first recognize that we are attempting to increase the level of trust and accountability over the town's finances. We are not implementing it solely as a cost savings measure. If we are ultimately able to save money in implementing such a plan it should be considered secondary.

We will need to re-think the way in which we deliver the financial services and find a more effective delivery model. The consolidation offers an opportunity to reconfigure the service delivery model for the financial operations. By joining the operations an adequate number of positions and dollars can be combined to allow a complete overhaul of the delivery model.

The following questions immediately come to mind regarding the consolidation:

- Why do we have to change the way we operate?
- Who are the finance division's customers?
- How will the finance division organization be structured?

- What services will be provided by the finance division?
- What skill levels are needed by finance division employees to effectively deliver these services?
- Where will the division's employees be physically located?
- What training will need to be provided to employees?
- When will this new service delivery model be implemented?
- What are the projected costs in implementing this plan?
- How does the creation of Horace Mann Charter Schools impact this consolidation?

How Will We Measure Success?

Success could be measured in three areas:

- How well do our employees understand their roles and responsibilities in the town's financial operations processes?
- Has the Finance Division transitioned into more of an auditing and data analysis function and less of a data processing role?
- Are financial services to other divisions being delivered timely, accurately and completely?

Why Do We Have To Change The Way We Operate?

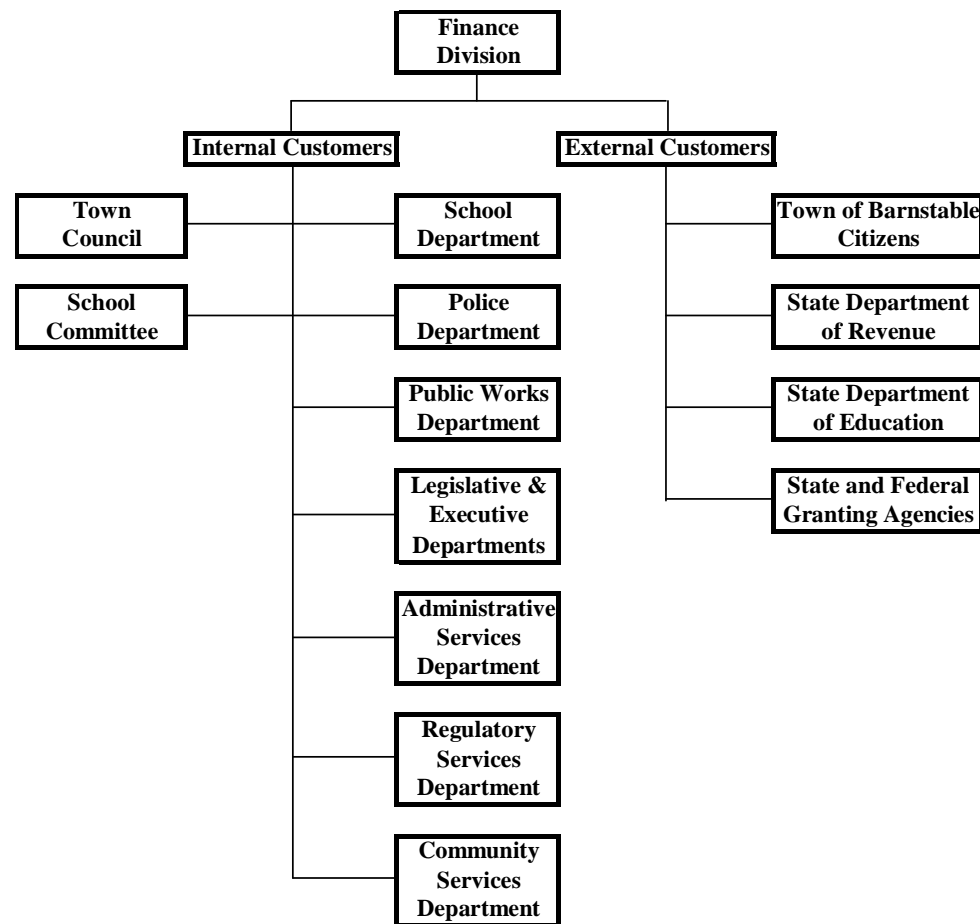
The need to change has been brought on by the demand for increased accountability and limited financial resources. When organizations are faced with these challenges they must reinvent the way they do business in order to stay competitive and provide a quality service to its customers.

As a result of advancements in technology in the daily operations and the increased levels of reporting and data analysis, the Finance Division has been challenged to reorganize the way it does business. Through these advances the Finance Division now has the capability to increase the levels of reporting and analyzing data. However, to

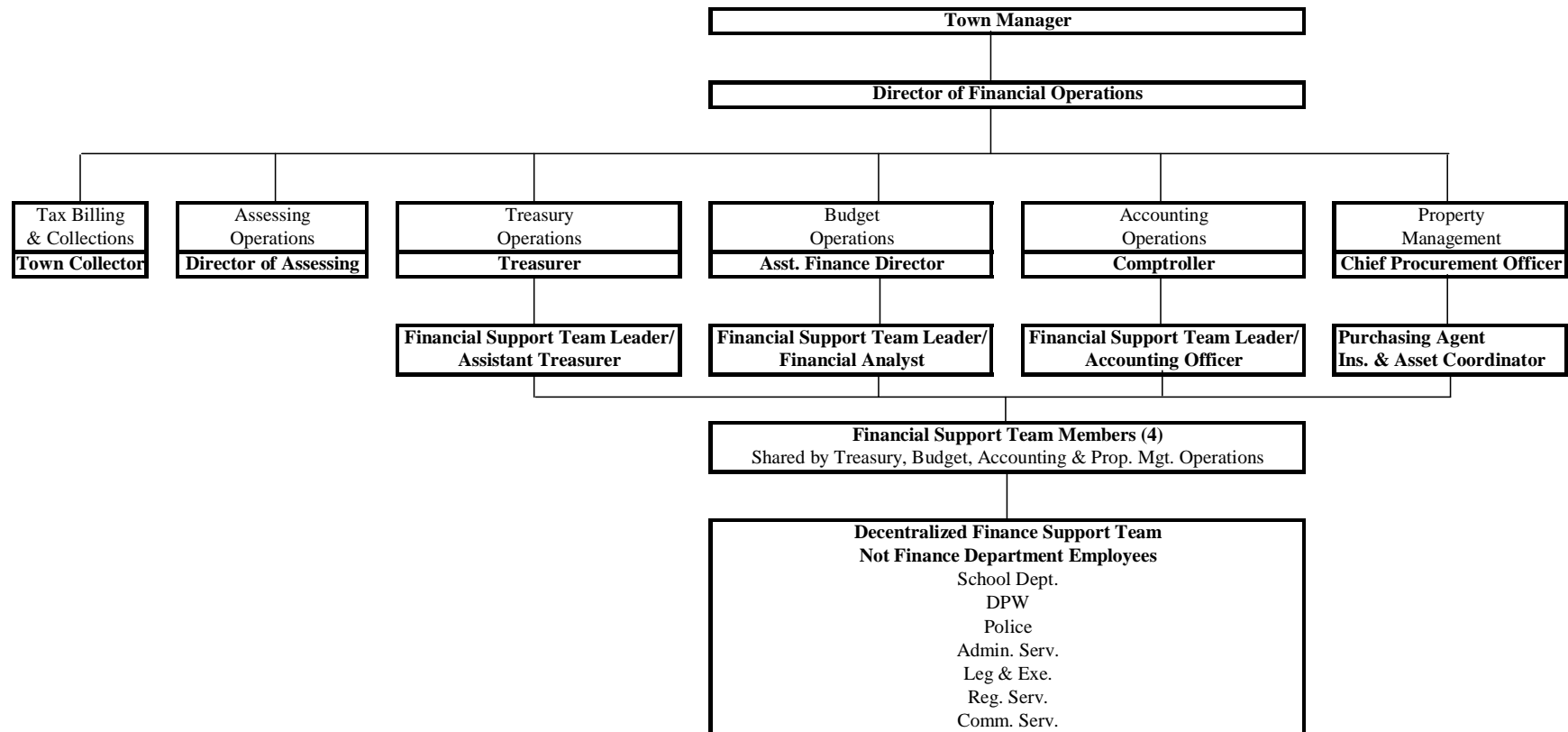
effectively optimize this capacity, it will be necessary to redefine the roles of many employees and it requires a greater skill level among those employees.

Who Are The Finance Division's Customers?

The following organization chart represents the consolidated Finance Division's customers.



How Will The Finance Division Organization Be Structured?



There would be no changes to the Assessing Operations or Tax Billing and Collecting Operations.

This reorganization will lead to an overall reduction of staffing levels at the central finance operation and requires changing the way information is processed at each location.

The Director of Financial Operations will report directly to the Town Manager. The Finance Division provides support to all other departments but should not report to all other departments. Multiple reporting responsibilities can lead to conflicting priorities. If department or division heads are not receiving the support they need they should work with the Finance Division directly to resolve. The Town Manager should be engaged only if the departments cannot resolve their differences. Additionally, the consolidated finance operation will have to be excluded from certain policy creation as in the allocation of resources during budget planning. This division must remain objective and can't be placed in the position of appearing to favor one operation over another.

Through the creation of four distinct finance operations, services will be provided to all other departments, including the School Department. They will be the Treasury, Budget, Accounting and Property Management Operations.

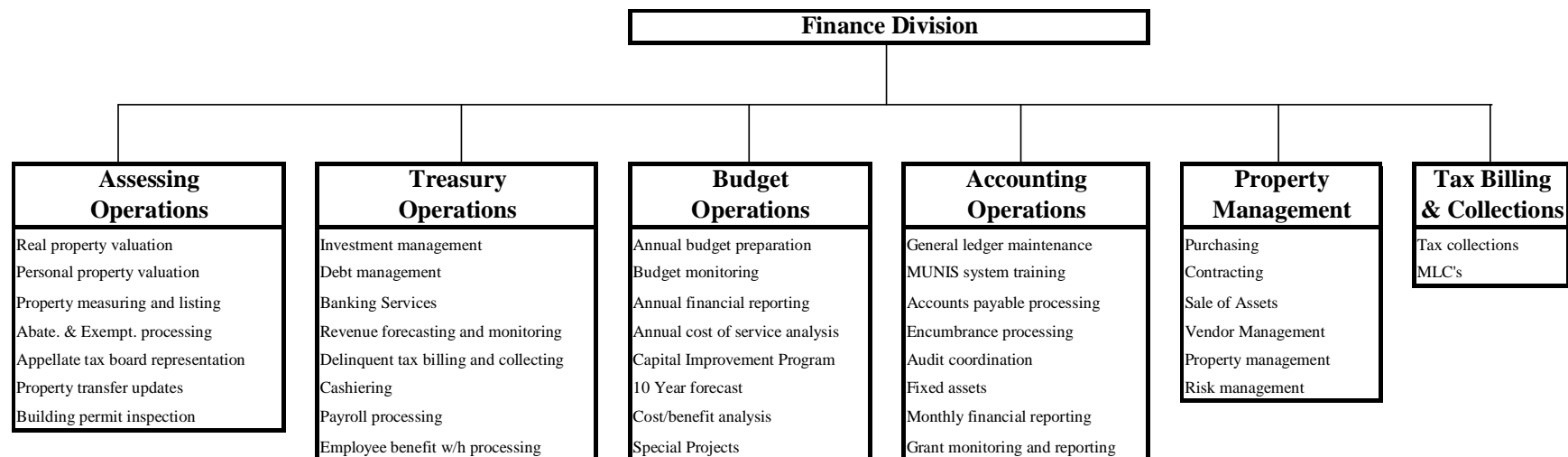
The Treasury and Property Management Operations will be managed by the Town Treasurer and Chief Procurement Officer, respectively. Two new positions will be created to head the Budget Operations and Accounting Operations. The Budget Operations will be managed by the Assistant Finance Director and the Accounting Operations will be managed by the Town Comptroller. The Treasury, Budget and Accounting Operations managers will each have the support of a Finance Team Leader. These Team Leaders, with the support of four cross-trained assistants, will be responsible for coordinating the financial activity processed in a decentralized manner at all locations throughout the town by the decentralized Financial Support Team Members.

The decentralized Financial Support Team Members will be an important part of this consolidation effort. These individuals will not be employees of the new consolidated finance division but rather employees of their individual department or division. Every location will need to identify an individual or individuals responsible for the daily processing of financial information. This will include requisition entry, purchase order conversion, invoice data entry, payroll data entry, cash receipts entry and internal financial reporting. The Finance Division will train and support these individuals in the various MUNIS programs. These positions will be critical if a move to site-based management is desired. By having this type of support on-site, the managers at these locations will more easily access financial information and gain knowledge and control of the financial operations at their site.

Whether it is a Principal at a school or the town's Harbormaster, effective financial reporting will create greater opportunities for the delivery of direct services and management of programs.

What Services Will Be Provided By The Finance Division?

The consolidated Finance Division will provide the following services to all departments:



The new consolidated Finance Division **will not** provide the following services:

1. The Finance Division will not determine how other departments will spend their appropriations. Each program manager will make that determination.
2. Supervision of school buildings and grounds and needs analysis for capital improvements. Capital needs analyses are conducted by each department independently. Needs are forwarded to the Finance Division which devises financial strategies to fund needs.

3. Supervision of the school department information technology services, student transportation or food services.
4. Grant writing. Each department currently writes its own grants and it is anticipated to remain this way. The Finance Division would provide treasury, accounting, auditing and reporting services for grants.

What Skill Levels Are Needed By Finance Division Employees To Effectively Deliver These Services?

The ever-increasing use of technology and demands for more data analysis both internally and externally require the division's employees to be of a higher skill level. Employees will need to function more as "thinkers" rather than data processors. They will need the analytical skills that will allow them to interpret a set of financial data to identify trends, inconsistencies, and opportunities. They will need auditing skills and the ability to "multi-task". As technological advancements create efficiencies in data processing, opportunities to cross-train staff will arise. Fewer staff positions, will be needed, however, higher levels of technical expertise and compensation will be required.

Where Will The Division's Employees Be Physically Located?

It is expected that the financial team members located at each site will remain at their respective sites and will not be employees of the Finance Division. The actual employees of the new consolidated Finance Division can be housed on the 1st and 3rd floor of the School Administration Building. There is currently enough work stations located on these two floors which will accommodate the reorganized Finance Division's 14 employees (excluding the Assessing and Town Collector operations) as follows:

1. Director of Financial Operations
2. Assistant Finance Director (Budget Operations)
3. Treasurer (Treasury Operations)
4. Comptroller (Accounting Operations)
5. Chief Procurement Officer (Property Management Operations)

6. Financial Support Team Leader/Assistant Treasurer (Treasury Operations)
7. Financial Support Team Leader/Financial Analyst (Budget Operations)
8. Financial Support Team Leader/Accounting Officer (Accounting Operations)
9. Purchasing Agent (Property Management Operations)
10. Insurance & Asset Coordinator (Property Management Operations)
11. Financial Support Team Members (4) (Budget, Accounting, Treasury and PM Operations)

What Training Will Need To Be Provided To Employees?

Financial Support Team Members located outside of the central finance office in SAB will need training on the MUNIS financial management system (FMS). They are currently trained in creating requisitions but will need training in converting requisitions to purchase orders, batch invoice processing, entering cash receipts, entering payroll information and extracting and interpreting financial reports. This training can be provided by a combination of in-house Finance and Information Technology Division employees as well as MUNIS.

The central office Financial Support Team Leaders and Members would periodically provide training on updates to the FMS for the decentralized finance support team. The central finance office can also provide periodic financial updates as to the Town's overall financial situation to this group of employees.

Training for the central finance office employees is anticipated for team building workshops, auditing procedures and other areas that may be required.

When Will This New Service Delivery Model Be Implemented?

It is estimated that it would take about a year to fully implement this new service model. A number of new job descriptions will have to be created and the associated recruiting time may take months. Training on the MUNIS FMS could begin as early as this fall and all departments could be fully decentralized within one year. No changes will take place to staffing levels in the current municipal and school department finance offices until the recruiting process has been completed. Following is a projected timeline for implementation.

	Funding Source	Estimated Start Date	Estimated Completion Date	Action Needed
SC & TC adopt legislation to consolidate	N/A	7/1/2004	8/31/2004	SC and TC vote CH71, sec 37M
Select decentralized finance team members	FY05 existing school budget	8/1/2004	9/30/2004	Selection by School DH's
Hire Assistant Finance Director	FY05 School Business Manager salary	8/1/2004	10/31/2004	Finance Director to recruit
Draft new job descriptions	N/A	8/1/2004	9/30/2004	Finance and HR to draft
Train decentralized finance team members	FY05 existing budget	10/1/2004	6/30/2005	FD and MUNIS staff to train employees
Grade new positions	N/A	10/1/2004	10/31/2004	PAB approval
Recruit 4 Financial Support Team Members	FY05 existing budget	11/1/2004	2/1/2005	FD conduct interviews
Recruit Comptroller, Ins. Coord. & Fin. Analyst	FY05 existing budget	2/1/2005	4/30/2005	FD conduct interviews

What Are The Projected Costs In Implementing This Plan?

It is projected that this reorganization should not cost more than the current dollars allocated to the municipal and school finance operations totaling \$1.2 million. The net reduction of positions should more than cover the increased cost of funding the new higher paid positions. The following table provides a summary of the current and projected full-time equivalent positions for the current organization and a position summary for the new consolidated organization.

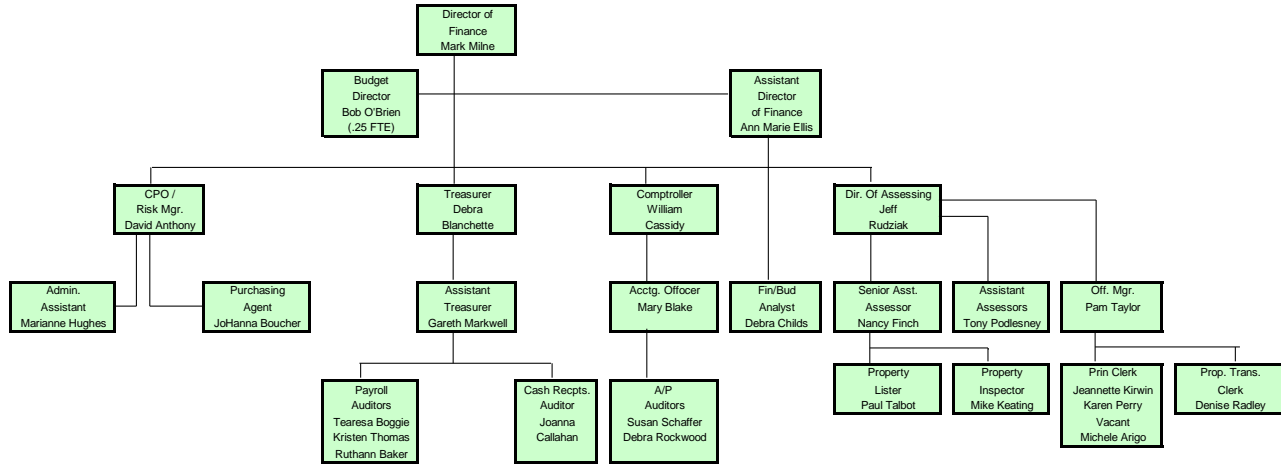
CURRENT MUNICIPAL POSITIONS:	<u>FTE's</u>	CONSOLIDATED OPERATION	<u>FTE's</u>
FINANCE DIRECTOR	1.00	FINANCE DIRECTOR	1.00
ACCOUNTING OFFICER	1.00	ASSISTANT FINANCE DIRECTOR - new position	1.00
ADMINISTRATIVE ASSISTANT - eliminated	1.00	TREASURER	1.00
PRINCIPAL ASSISTANT - eliminated	1.00	COMPTROLLER - new position	1.00
DIVISION ASSISTANT - eliminated	0.80	ASSISTANT TREASURER	1.00
TREASURER	1.00	FINANCIAL/BUDGET ANALYST - new position	1.00
ASSISTANT TREASURER	1.00	ACCOUNTING OFFICER	1.00
PRINCIPAL ASSISTANT - eliminated	1.00	STAFF AUDITOR ACCOUNTS PAYABLE - new position	1.00
PRINCIPAL ASSISTANT - eliminated	1.00	STAFF AUDITOR ACCOUNTS PAYABLE - new position	1.00
CHIEF PROCUREMENT OFFICER	1.00	STAFF AUDITOR PAYROLL - new position	1.00
PURCHASING AGENT	1.00	STAFF AUDITOR PAYROLL - new position	1.00
VACANT DIVISION ASSISTANT IN PM - eliminated	1.00	STAFF AUDITOR CASH RECEIPTS - new position	1.00
TOTAL MUNICIPAL FTE's	<u>11.80</u>	CHIEF PROCUREMENT OFFICER	1.00
		PURCHASING AGENT	1.00
CURRENT SCHOOL POSITIONS:		INSURANCE & ASSET COORDINATOR - new position	1.00
SCHOOL BUSINESS MANAGER - eliminated	1.00	TOTAL CONSOLIDATED DEPT. FTE'S	<u>15.00</u>
FINANCE CLERK - eliminated	1.00		
FINANCE CLERK - eliminated	1.00		
PAYROLL SUPERVISOR - eliminated	1.00		
PAYROLL ASSISTANT - eliminated	1.00		
PAYROLL CLERK - eliminated	1.00		
TOTAL SCHOOL DEPT. FTE's	<u>6.00</u>		
TOTAL MUNICIPAL AND SCHOOL FTE's	<u>17.80</u>		

NOTE: All salaries for the new consolidated operations will be determined after positions are graded by the Personnel Advisory Board.

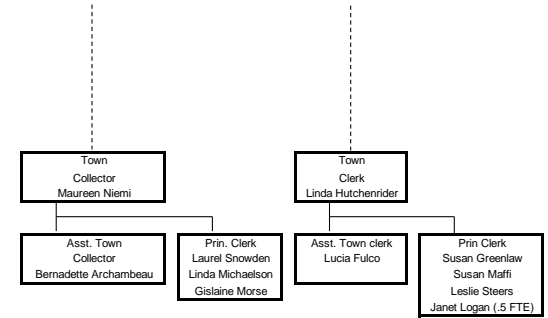
How Does The Creation Of Horace Mann Charter Schools Impact This Consolidation?

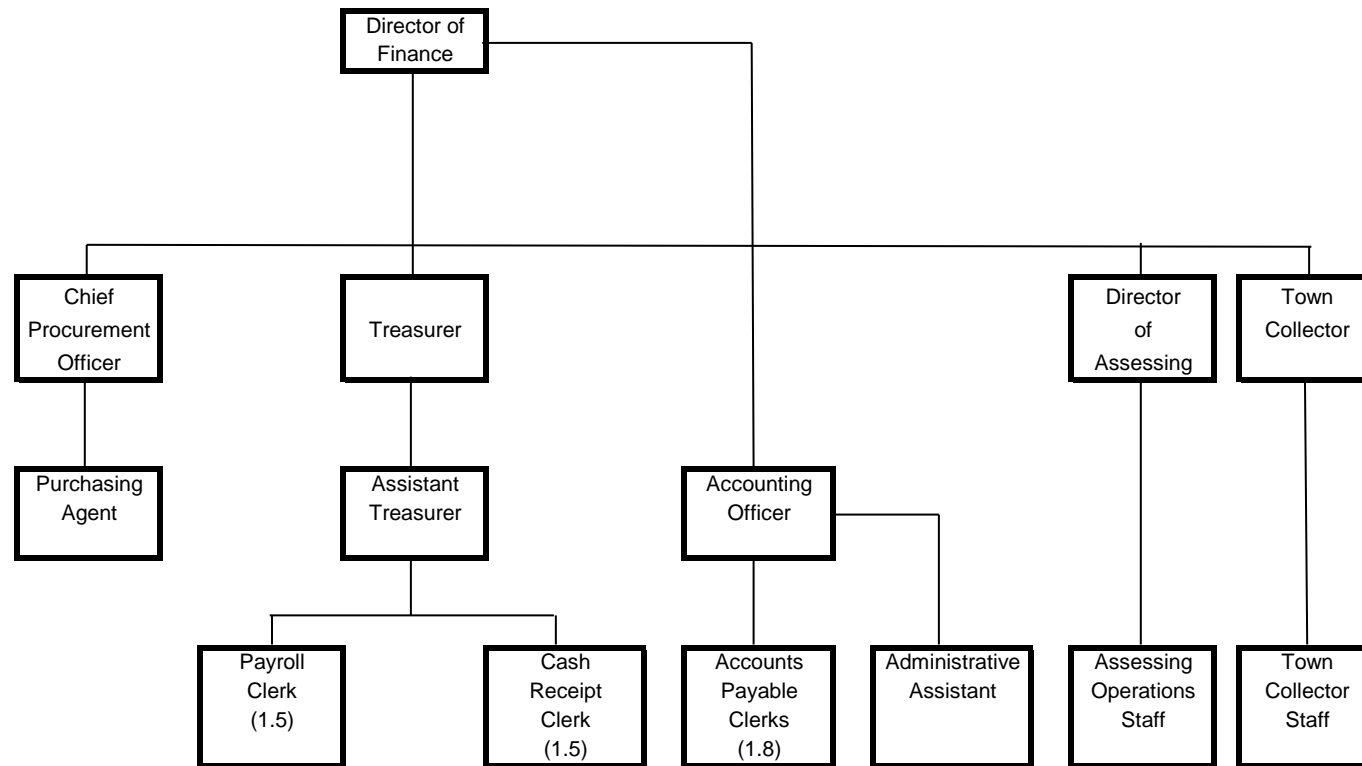
As stated previously, each major location throughout the town should have adequate staff to perform the basic financial data processing and financial reporting that is necessary. This is true for the HMCS's as well. However, physically transferring tax dollars into the custody of another Treasury requires a whole other set of financial requirements that are not necessary if the HMCS's use the MUNIS FMS.

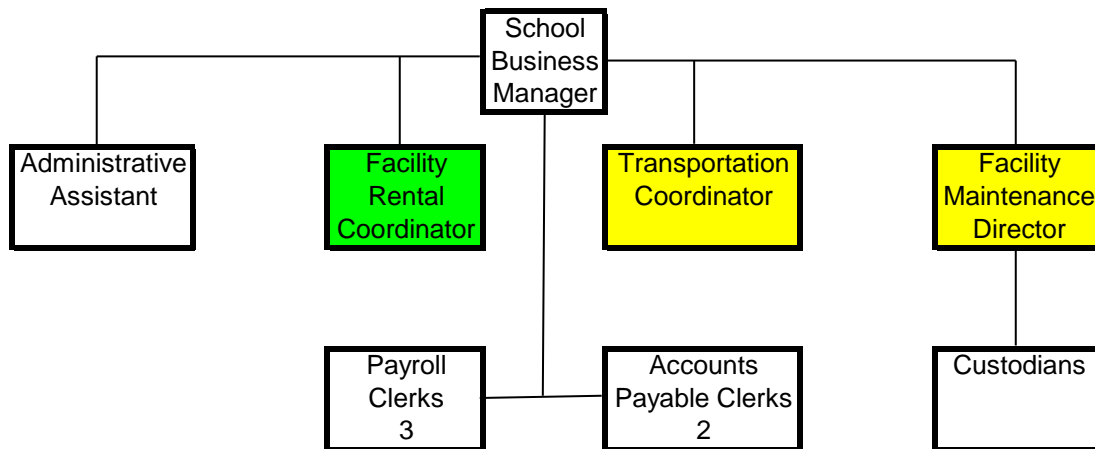
The creation of these charter schools provides greater flexibility over the school's financial operations. Two examples that are repeatedly recited are the Charter School's ability to earn investment income on its excess cash reserves and its ability to roll unexpended funds over to the subsequent year. This can still be accomplished by using the MUNIS system. Cash transfers would essentially take place on the Town's general ledger and not between treasuries. Investment income will be allocated monthly to the Charter School's fund as it is currently done for all enterprise funds and other required accounts. Segregating all financial activity of the charter schools into its own self-balancing set of accounts on the MUNIS FMS will provide the continuation of financial independence and offer the Charter School's the opportunity to benefit from systems already in place. This will also eliminate any negative perception the public may have in regards to other individuals having physical control over tax dollars other than the Town Treasurer. Finally, it will eliminate the cash transfers currently being made between the treasuries allowing more time to be spent on other financial matters.



Total of 27.25 FTE's







Positions highlighted in yellow report to School Superintendent after consolidation.
Facility Rental Coordinator reports to Facility Maintenance Director after consolidation.

Approved by School Committee August 10, 2004
Approved by Town Council August 19, 2004

Town of Barnstable

MEMORANDUM OF UNDERSTANDING Between The Municipal and School Elected Bodies

A. Purpose

The purpose of this document is to provide an agreed upon framework to begin the consolidation of certain financial functions and services currently being performed and delivered separately by Barnstable's municipal finance and school finance departments. This consolidation is permitted by Chapter 71 Section 37M of the Massachusetts General Laws. In agreeing to this Memorandum, both elected bodies are acknowledging that consolidation with its anticipated benefits is a desirable goal to pursue. It is further acknowledged that the unequivocal support from both elected bodies as well as municipal and school management is required for this effort to succeed.

B. The Plan

This memorandum has been developed as the result of a preliminary draft document that has been reviewed by both the Town Council and the School Committee. This document is entitled "Finance Department Consolidation Concept", DRAFT II, dated July 6, 2004 heretofore referred to as The Plan. The Plan is recognized as a working document subject to likely revisions as implementation progresses. Proposed revisions will be monitored by both elected bodies. Plan progress will be reviewed weekly in scheduled meetings between municipal and school management.

C. Points of Understanding

Both elected bodies agree to the following:

1. That the consolidated financial services to be provided are as outlined in The Plan.
2. That the following services will not be provided by the consolidated finance operations.
 - (a) Supervision of the school transportation program
 - (b) Supervision of the school lunch program
 - (c) Supervision of the school grounds and facilities staff
 - (d) Supervision of the Medicaid billing staff
3. That municipal and school management meet weekly to review progress in the implementation of The Plan. In the early meetings, a review process will be developed to measure progress toward intended outcomes. The Town Council and School Committee will be kept apprised of progress on a regular basis and be consulted on any

substantive changes recommended for The Plan. It is understood that the Estimated Completion Dates for the items listed on Page 9 of The Plan may, from time to time need to be revised.

4. That for this consolidation process to be successful, both the municipal and school operations must provide free and unimpeded access to all information; financial, procedural, and otherwise, relevant to the consolidation. Staff for both the municipal and school finance operations are expected to work together in a professional manner and to do all that they can to assure that this effort succeeds. Both municipal and school managers tasked with implementing this consolidation plan will be mindful of each organization's chain of command and organizational structure during this transition process.
5. That the success of this initiative will depend, in large measure, on the creation of a site-based, financial support team staffed at multiple municipal and school locations. These team members will require in-house systems training sufficient for them to comfortably and confidently perform their duties. Whenever possible, these positions will be staffed by personnel currently located at these sites and currently doing similar or comparable work. Follow on training will be provided as needed. It is anticipated that consolidation will involve the phased in implementation of on-site processing. For example, it is not practical to expect the payroll, accounts payable, and cash receipts data entry and administrative processing functions to be de-centralized simultaneously. Training, therefore, will be matched to the de-centralization schedule.
6. That these site-based financial support team members will be supported by financial support team members at the central finance office. Whenever possible, these positions will be filled by existing, qualified staff already involved in the payroll, accounts payable, and/or cash receipts functions for the municipal and the school finance operations. Extensive in-house training will be provided to allow these existing staff the opportunity to enhance their skills. This training will provide a method to measure level of achievement. We acknowledge that, given the streamlined nature of the consolidated central finance office, there is likelihood that not all current staff interested in working for this consolidated organization can be placed. The availability of training, however, will not be predicated on this. All interested staff will have the same access to this training.
7. That to consolidate financial operations, entirely new positions will need to be created, other positions will be redefined and reclassified, and some positions will be eliminated. These personnel changes are outlined on Page 4 of The Plan and are subject to revision.
8. That this consolidation process involves budgetary considerations and that:
 - (a) In FY05, the new Assistant Finance Director's salary will be charged to the now defunct School Business Manager's position. This new position will be funded entirely through the consolidated finance division budget in FY06.

(b) As the consolidation process progresses and personnel changes are implemented, the unexpended salaries associated currently in the school budget to fund the 1 supervisory and 4 clerical positions listed in The Plan on Page 10 under the heading “Current School Positions”, will be available to help fund personnel changes required by consolidation as well as the unexpended funds allocated to Health Insurance and Medicare Tax on the following line.. The unexpended funds in the FY05 school operating expense budget, (also listed on Page 10 of The Plan) will be available to help fund the consolidation process. These expenses will be funded from the consolidated finance operation in FY06.

(c) Recognizing that the consolidated financial operation concept currently has reduced 4 positions from the existing level, every effort should be made by management and the elected bodies not to make further reductions to this division should personnel reductions be required in FY06 in order to establish a balanced budget. Further reductions to staffing levels could defeat the purpose of this plan.

9. That a portion of the consolidated finance operation will be allocated to net school spending in determining the school district’s compliance with net school spending requirements. The allocation will be based on the total school department related expenditures as a percentage of total expenditures for all town operations including General Fund, Special Revenue Fund, Capital Project Fund, Enterprise Fund, Trust Funds, and Agency Funds.
10. That both the School Committee and the Town Council support the concept of consolidating human resources and benefits administration for both municipal and school operations. A consolidation plan such as the one addressing the consolidation of financial operations has not yet been developed. This agreement authorizes the development of such a plan recognizing that said plan will require a collaborative effort by both the municipal and the school human resources/benefits administration departments.
11. That it is prudent to have in place a policy to terminate this agreement should either party to this agreement wish to do so. It must be noted that both parties to this agreement are moving forward with the unqualified expectation and confidence that this initiative will succeed. Nevertheless, unforeseen circumstances or events over time may lead to dissatisfaction with the results. With this in mind, both parties agree that should a reversal of consolidation be deemed necessary by either party an orderly reversal is of paramount importance. It is agreed, therefore, that either party wishing to terminate this agreement will provide, in writing to the other, a notice of intent at least six months prior to the start of the next fiscal year. Both parties will then be committed to working together diligently and faithfully to effect this change in the least disruptive fashion possible. It is also agreed that should said termination take place any and all funding associated with staff and operating expenses that were transferred shall be reinstated back to the school department.
12. That this Memorandum of Understanding is subject to review and revision as needed.



School-Based Management: A Practical Path to School District Reform

by Cara Stillings Candal

Introduction

Located in the “bicep of Cape Cod,” the Town of Barnstable, Massachusetts, is widely considered that area’s economic and municipal hub. Home to a thriving business sector, healthcare facilities, an airport, and a host of other municipal services, many of Cape Cod’s citizens rely upon Barnstable and its seven surrounding villages for economic and cultural prosperity. But Barnstable’s status as a center of activity in the Cape Cod region is only one of the things that make the town unique. In recent years, Barnstable has received state and national recognition for its commitment to financial accountability and responsibility. This commitment has, in turn, enabled the Town of Barnstable to make important and sweeping changes in the way its schools are financed and managed—changes that many in the Commonwealth have come to recognize as worthy of emulation.

All school principals in Barnstable, traditional public schools included, now control roughly 80 percent of their operating budget and have the autonomy to make and implement leadership and instructional decisions that can mean real change for students.

Such change in Barnstable was facilitated, in large part, by municipal and school employees who were especially qualified and motivated to create more effective schools. For, while the public charter schools of Barnstable have historically performed at or above the state average, the town and its schools have long faced some of the challenges found in most American school districts as well as most of the challenges that are unique to the Cape Cod region of Massachusetts.

Cara Stillings Candal is a researcher and lecturer at the Boston University School of Education, where she also completed her doctoral work. A former teacher and test and curriculum development specialist, she is also the author of several articles on No Child Left Behind, the charter school movement, and international policies for ensuring equality of educational opportunity for disadvantaged youth.

School-Based Management: A Practical Path to School District Reform

Despite its status as an innovative center of financial and municipal activity on the Cape, Barnstable is, in many respects, similar to the area's other towns and municipalities. Culturally diverse, Barnstable's residents span the economic spectrum. On one end of the town, expensive, beach front properties are common while further inland much of Barnstable's population struggles to stay employed, afloat, and in affordable housing. Complicating matters for the municipality, the town, which swells to well over 125,000 residents in the summertime, has been steadily losing year-round residents (the year-round population was an estimated 49,000 in 2008). This decline affects the town's ability to raise revenue, which is largely derived from the property tax. Coupled with the difficult financial climate experienced nationwide in recent years, the decline has necessitated cutbacks in municipal services and led to layoffs and school reorganizations and closures.

All things considered however, Barnstable has weathered these challenges admirably. Even in the current economic climate, the Town has managed to maintain a balanced budget and, more importantly, a AAA bond rating from Standard & Poor's. The latter puts Barnstable in a special group; only nine of the 351 Massachusetts cities and towns have received this rating. The kind of sound fiscal policy that has garnered Barnstable this excellent reputation has also allowed the town to maintain a comparatively high level of municipal services for its citizens.

That high level of service also extends to the student population of Barnstable—a population that is served by a school system that is rare in the Commonwealth. It is a system in which two important functions, finance and human resources, have been consolidated with the finance and human resource functions of the municipality. It is also a system in which school leaders are entrusted with the ability to manage the major day-to-day financial functions of their own

TABLE 1. BARNSTABLE AT A GLANCE

General Information	
Villages (7)	Barnstable, Centerville, Cotuit, Hyannis, Marstons Mills, Osterville, West Barnstable
Area	62.72 square miles
Demographics	
Year-round residents	49,000 estimated
Median Family Income	\$46,811
Per Capita Income	\$25,554
Student Population Eligible for Free and Reduced-Price Lunch	27.3%
Economic	
FY 2009 General Operating Budget	\$154,370,065
Assessed Value Per Capita of Real and Personal Property	\$302,750
Median Home Value (Town Wide)	\$368,500
Largest Employers	1) Cape Cod Health Care, 2) Town of Barnstable, 3) Barnstable County

Adapted from Town of Barnstable, FY 2009 Operating Budget; MA DESE, FY 2009 Budget summary, Town of Barnstable

schools and in which managerial and instructional decisions, though supported and monitored by the town's School Department, are initiated by school principals.

This policy brief recent, seemingly radical, reforms in Barnstable's education and municipal sectors and goes on to discuss the myriad ways in which the reforms have affected the town's schools. Furthermore, with the intent of guiding others interested in initiating similar changes in their own schools and districts, it provides a step-by-step account of the process that Barnstable followed to create the system that is in place today. Finally, this brief provides recommendations for how other cities and towns might look to Barnstable's experience to implement their own reforms.

The Barnstable Story

Barnstable's experience with educational innovation dates back at least six years prior to the consolidation of town and school financial and human resource functions. As early as 1999, the town had pursued and won its first Horace Mann Charter, which allowed a former traditional public middle school, now called the Barnstable Horace Mann Charter School, to convert to charter school status and therefore dramatically change the way the school was governed, led, and funded.

Prior to receiving charter school status, then-school principal, Tom McDonald, like most principals of traditional public schools, controlled very little of the school's nearly \$3 million dollar budget. Indeed,

TABLE 2. TOWN OF BARNSTABLE ADEQUATE YEARLY PROGRESS (AYP) DATA, 2007-2008*				
English Language Arts				
Grade Spans		2007	2008	2008 Subgroups Not Making AYP
Grades 3-5	Aggregate	Yes	Yes	Afr American/Black -Low Income Hispanic/Latino -F/LEP**
	All Subgroups	No	No	
Grades 6-8	Aggregate	Yes	Yes	Special Education
	All Subgroups	Yes	No	
Grades 9-12	Aggregate	Yes	Yes	Low Income
	All Subgroups	No	No	
Overall Performance Rating		Very High		
Mathematics				
Grade Spans		2007	2008	2008 Subgroups Not Making AYP
Grades 3-5	Aggregate	Yes	Yes	F/LEP
	All Subgroups	No	No	
Grades 6-8	Aggregate	Yes	Yes	Special Education
	All Subgroups	Yes	No	
Grades 9-12	Aggregate	Yes	Yes	Low Income
	All Subgroups	No	No	
Overall Performance Rating		High		

*Barnstable has no accountability status for 2007-2008, which means that it is not in corrective action under the federal No Child Left Behind Law.

**Limited English Proficient.

Massachusetts Department of Elementary and Secondary Education, http://profiles.doe.mass.edu/ayp/ayp_report

School-Based Management: A Practical Path to School District Reform

McDonald estimates that he was able to spend only about \$50,000 every year to impact instruction and other school matters as he saw fit. The Horace Mann charter, however, allowed McDonald to behave as the CEO of his school, enabling him, as he describes it, to “put in place programs and protocols that made sense and enhanced the education of students.”

It is also a system in which school leaders are entrusted with the ability to manage the major day-to-day financial functions of their own schools and in which managerial and instructional decisions, though supported and monitored by the town’s School Department, are initiated by school principals.

In exchange for such autonomy, the school was also more accountable to the state. Both autonomy and accountability proved beneficial for the school, and the School Committee of Barnstable took notice. In managing his school, McDonald made more efficient use of educational resources for students than he had been able to under the traditional public system. Perhaps more importantly, under McDonald’s tenure, student outcomes improved.

With the success of this one school, a belief in the benefits of site-based management began to take hold within the community. By 2004, the Town of Barnstable had won its second Horace Mann Charter and the majority of the School Committee had become committed to allowing even traditional district schools to function in a “charter-like” fashion.

In at least one sense, the site-based philosophy was more likely to take hold in Barnstable than in other communities, for, in 1995, only a few years prior to the establishment of the town’s first charter school, there was tremendous turmoil, uproar, and anger when it was discovered halfway through the school year that the School Department was more than \$2.5 million dollars in debt. The deficit meant that school budgets district-wide and the delivery of education would be dramatically affected; for the foreseeable

future, already scarce resources would have to be cut back, and the small percentage of their budgets that principals in most schools managed would be largely unavailable. Many in the community, including some School Committee members, could scarcely imagine how the School Department could find itself in such a position. Eventually, the School Committee had to turn to the municipality for a bailout.

This incident cultivated in Barnstable a general and persistent skepticism of the School Department’s ability to manage its own affairs. By 2004, this skepticism, coupled with the improved student results and sound budgeting practices that the School Committee was seeing from the town’s charter schools, led to the appointment of a new superintendent. The man chosen for the job was Tom McDonald, principal of the first Horace Mann Charter School established in Barnstable. An innovator and a proponent of the charter model and site-based management, McDonald saw in his appointment an opportunity to work with the School Committee and with a municipality that had been nationally recognized for excellent accounting practices to bring about radical change in the way that Barnstable’s schools were run.

Principals had to be trained to function as CEO’s, and other school administrators had to be trained to manage their many new responsibilities, budgetary especially.

With the encouragement of the School Committee, one of the first changes that McDonald enacted was to establish an agreement between the School Department and the district’s non-charter schools that gave those schools many of the same autonomies that charter schools enjoy. All school principals in Barnstable, traditional public schools included, now control roughly 80 percent of their operating budget and have the autonomy to make and implement leadership and instructional decisions that can mean real change for students.

As one current school leader, Frank Gigliotti, explained, when he gained the ability to manage

the majority of his budget he “immediately used the ‘extra’ money” derived from a reallocation of funds “to hire a math teachers’ assistant.” MCAS scores indicated that math was an area in which Gigliotti’s students were struggling, and he seized the power that came with school-based management to make an administrative and instructional decision that he believed would benefit students. According to Gigliotti, making such a decision might have been possible prior to the district’s site-based reforms, but he would have had to “jump through countless hoops” before the change could have been implemented.

In 2004, the three bodies began working together to consolidate the School Department’s finance and human resource functions with those of the Town—a model that, while entirely permissible under state law, is not often used in Massachusetts cities or towns.

Of course, the move to site-based management, though swift, was not necessarily seamless. Principals had to be trained to function as CEO’s, and other school administrators had to be trained to manage their many new responsibilities, budgetary especially. And not every principal was immediately comfortable with increased responsibility; for some, like Gigliotti, it was necessary to first “dip a toe” and then “a foot” into the tide of change before immersing themselves fully into the new site-based reforms.

Fortunately, for those who were at all leery of becoming a true school CEO, the School Department, the School Committee, and the Municipality had already begun to collaborate on another reform that would eventually make the job of running a school and its budget a more manageable task. In 2004, the three bodies began working together to consolidate the School Department’s finance and human resource functions with those of the Town—a model that, while entirely permissible under state law, is not often used in Massachusetts cities or towns.

After careful evaluation, a team comprised of relevant town and school personnel arrived at the conclusion that the Town was in a better position to allocate and track school site and School Department budgets than was the School Department itself. Later agreeing that it would also make great sense to consolidate the Town and School Department human resource functions, the relevant parties drafted two separate memoranda of understanding that outlined how these two related consolidation processes would proceed.

Within a year and a half, the Town had developed a system to deliver to school leaders accurate and constantly updated information regarding the money available in each site budget. On the human resources side, the town had developed a system that housed all relevant personnel, pay, and hiring and firing information in one place. Perhaps most importantly, both consolidations had made necessary information clear and accessible to school leaders.

These reforms have had, according to many in the district, a positive impact on the way that schools are managed. Notes Frank Gigliotti, Principal of the Barnstable/West Barnstable Elementary School, “at first I was skeptical, but it’s really worked out.” The systems that are now in place, Gigliotti believes, are “healthier” for schools and enable school leaders to function as CEOs of their buildings.

Within a year and a half, the Town had developed a system to deliver to school leaders accurate and constantly updated information regarding the money available in each site budget.

The process of merging the financial and human resource functions of the schools and the Town was not, however, as easy or clear cut as it might initially seem. Along the way, the town and the schools developed a comprehensive plan for how things were intended to work. They also learned that politics and unforeseen barriers can sometimes foil even the best laid plans. Because of this, it seems that it is best to

School-Based Management: A Practical Path to School District Reform

**TABLE 3. GENERAL STEPS TO CONSOLIDATING
TOWN/SCHOOL FINANCE AND HUMAN RESOURCE
FUNCTIONS IN BARNSTABLE**

Step 1: Gauge the Political Will		
Step 2: Know the Goal and Assess the Capacity for Change		
Step 3: Draft a Clear Plan on which All Parties Agree	<i>Components of Barnstable Draft Plan:</i>	
	FINANCE	HUMAN RESOURCES
	1) Position schools as customers, and establish decentralized teams at each site.	1) Position schools as customers, and establish decentralized teams at each site.
	2) Decide upon financial services that Municipality will/will not provide.	2) Decide upon financial services that Municipality will/will not provide.
	3) Streamline (eliminate and create) positions appropriate for the consolidated office(s).	3) Streamline (eliminate and create) positions appropriate for the consolidated office(s).
	4) Train New Staff	4) Audit decentralized sites to determine inefficiencies and inaccuracies in HR processes
		5) Train New Staff
Step 4: Implementation		
Step 5: Constant Evaluation and External Input		

describe the general process of how a consolidation can take place by looking back at the Barnstable experience. Certainly, other towns and cities interested in pursuing a similar effort have much to learn from the insight that Barnstable can offer.

A “How-To” Guide to Consolidation

Although the consolidation process in Barnstable proceeded quickly—about one and a half years from the conception of a plan to implementation—it was a multifaceted process, which many in the Town and School Department still consider ongoing. From the initial idea that consolidation might ultimately benefit the town and its schools to recent and ongoing evaluations of the effort and the difference it has made, Barnstable has proven it is willing to do what it takes and to learn from experience in order to provide the best possible services, including education, to its citizens.

The following pages describe the step-by-step approach that Barnstable took to consolidate its Town and school finance and human resource functions. While it is likely the general process outlined here can be of great use to other cities, towns, and school departments interested in a similar consolidation effort, it should be noted that the specifics of what happened in Barnstable are, of course, specific to the town itself. Other localities might find, for example, that it makes sense to consolidate entirely different functions. Differing details, however, do not make the overall process any less meaningful. The guide provided here consists of valuable lessons learned from the Barnstable experience, along with examples of how specific functions were merged and some of the benefits reaped from those mergers.

Step One: Gauge the Political Will

“It almost felt that nine-tenths of the battle had been won when we achieved consensus that the consolidation process should take place.” This sentiment, expressed by Barnstable Town Manager

John Klimm, captures what the two major parties involved in the consolidation effort, the Municipality and the School Department, believe to be true. To be sure, migrating responsibility for school financial and human resource functions to the town side did not begin with the conception of a consolidation plan. Instead, proponents of consolidation had to correctly gauge the right time for such a dramatic change.

Before plans for consolidation could proceed, it was necessary to engage in an “assessment of the political reality of the community.” As Klimm points out, “if enmity exists between a Town and its school department, the process won’t work.” There must be, in the first place, “a willingness to discuss the changes that are needed.” This advice isn’t based solely on the Barnstable experience. Klimm notes that towns and school departments have been set up, historically, for a somewhat adversarial relationship. Not only do schools and municipalities compete for limited dollars, they also conduct their business in two very different cultural environments—environments that don’t always meld. Thus, understanding the politics at play, Klimm and others suggest, is one key—perhaps the key—to affecting the kind of change that happened in Barnstable.

Although consolidation of the human resources function was not foremost in the minds of all involved when they began drafting a consolidation plan, it eventually became clear it didn’t make sense to consolidate one and not the other; too many of the finance and human resource functions, such as payroll and benefits, were intertwined.

In some ways, as previously discussed, the environment in Barnstable in 2004 was ripe for change. Following discovery of its deficit, the town lost faith in the School Department’s ability to manage its financial affairs, and an attempted override failed to raise the revenue needed for the schools.

There was a general feeling that if something didn’t change, and if the Town and the School Department didn’t develop a more amicable relationship, disaster would be imminent. At the same time, the School Committee was changing shape; a number of new members were more willing than the old guard to take whatever action was necessary to solve the School Department’s problems. It was at this time that Tom McDonald was appointed Superintendent, a move that would precipitate the overall school-based management and consolidation efforts.

In large part, if the political will for change isn’t present in a community, and if the lines of communication between a school department and a town are not open, then it is unlikely that consolidation will be an effective route to transforming school district management. The bulk of any consolidation process depends upon these factors as much as it depends upon capable and hardworking people to make it happen.

Step Two: Know the Goal and Assess the Capacity for Change

True change is not achievable without a clear, uniformly accepted goal and without a clear picture of where the capacity for change exists. In Barnstable, the goal of consolidation, according to Tom McDonald, was to meet “a critical need to have a system in place [in schools] that ensured accuracy and accountability.” Cost savings that would derive from consolidation, while desirable, “were not the key reason to consolidate.” In short, the School Department and School Committee in Barnstable had come to a point where they could not control costs because they didn’t know what the real costs of running the school district were—each time a budget was created, the School Department failed to account for actual (and differing) costs at each school. Moreover, for many years, the School Department did not have an accurate picture of the funds that it actually had at its disposal. In migrating the financial function to the Town side, the primary goal was to put in place a system of data management and cost tracking that would once and for all allow

School-Based Management: A Practical Path to School District Reform

the School Department and individual schools to forecast an accurate budget and monitor expenses as they made their own site-based decisions. While the consolidation effort was not necessary to implement site-based management strategies, the ultimate success of the consolidation greatly enhanced the school-based management effort.

Importantly, however, had the School Committee or any other party lacked confidence in the Town's financial management capabilities, drafting a consolidation plan and smoothly implementing school-based management policies would have been infinitely more challenging. As incoming School Committee Chairman Patrick Murphy explains, the key to implementing any kind of change is people—"you have to know where your skill sets are, and you have to know your talent base." In Barnstable, the Town Finance Department had a long-standing reputation for excellence, especially with regard to accurate and efficient reporting and cost control. Because of this, it was clear where the expertise in financial management lay. Moreover, there was also confidence in the Town's Human Resource Department. Although consolidation of the human resources function was not foremost in the minds of all involved when they began drafting a consolidation plan, it eventually became clear it didn't make sense to consolidate one and not the other; too many of the finance and human resource functions, such as payroll and benefits, were intertwined.

[W]hile this new culture is, arguably, still evolving, the initial challenges that differences between Town and school cultures posed were overcome.

Others looking to consolidate Town/school functions should take away from the Barnstable experience two critical ideas when it comes to goal setting and assessing the capacity for change. First, goal-setting and an understanding of how goals can be achieved with the resources available is paramount. It is important to realize that any number of Town/school

functions can be consolidated, and that any eventual plan will depend upon the needs of the Town and its schools and upon the available talent pool in the locality. If, for example, a town has as much difficulty managing its finances as a school department, then consolidating the financial function may not be a viable option. Second, it is important throughout the process of consolidation to remain open to new ideas and to continually evaluate the extent to which the plan that is taking shape will meet the ultimate goal of the consolidation. It stands to reason that a full understanding of all the processes that can or must necessarily be consolidated to achieve the set goal will not become clear until the process itself is underway.

Step Three: Draft a Clear Plan on which All Parties Agree

The third step in the process may sound deceptively simple but in reality calls for "time consuming and detailed analysis," according to Town Manager, John Klimm. A clearly delineated process for change and its implementation—one upon which all parties agree—is indispensable. Also of great importance is that the plan be legal and binding.

In Barnstable, the drafting of the Consolidation Plan included the creation of several memoranda of understanding between the Town and the School Committee. Each memorandum and its preceding drafts were carefully analyzed by all involved parties, made available for public scrutiny, and debated before the consolidation process itself proceeded. Key components of each memorandum are a section detailing the various "points of understanding" shared by the Municipality and the School Elected Bodies, as well as a paragraph explaining "that it is prudent to have in place a policy to terminate this agreement should either party to this agreement wish to do so." Also an important part of each document is a statement noting that the memoranda of understanding are "subject to review and revision as needed."

One minor obstacle that became apparent to those involved in the process of drafting the consolidation plan was that neither the Town nor the School Department had a clear idea of how its counterpart operated. According to Barnstable's Human Resource Director, William Cole, when drafting and implementing a consolidation plan, it is important that neither side "underestimate the impact of culture."

What Cole means is that municipal and school employees, in general, carry out their day-to-day work in very different environments. In schools, where the primary focus of an employee's work is likely to be on students and student learning, certain tasks that might be of great importance in a municipal building, bureaucratic tasks especially, may not be a first priority. On the other hand, municipal employees, especially managers, are not necessarily familiar with the day-to-day necessities and challenges of running a school. To further complicate matters, the processes of teaching and learning are likely to be viewed differently by municipal and school employees; whereas teachers, principals, and perhaps even school administrative personnel have educational backgrounds in teaching and learning, municipal employees and managers are likely to approach these processes from a vantage point that does not include that type of education. This latter difference can be especially important to recognize when school employees become students for the purposes of training.

[F]ailure to work together, it was understood by most involved, would likely mean a troubled path to consolidation.

For the Municipality of Barnstable, differences in the school and municipal cultures posed a special challenge, for it was the Town that was absorbing many of the School Department's responsibilities. From understanding that teachers have different payment schedules than town employees to pinpointing the kind of training that would be needed at school sites, human resource managers, especially, had to educate themselves about the different needs and day-to-

day operations of school employees and schools. Interestingly, in making that effort it became clear to all involved that the merging of town and school functions was creating a new culture unto itself. Today in Barnstable, human resource personnel on the municipal side have changed the way that they operate in an attempt to accommodate the schools. The same kind of change has also occurred on the school side.

In sum, the challenge for the new human resource team was not only to understand the culture of the School Department and its schools but, more specifically, to uncover inaccuracies in data and reporting that had contributed to poor human resource and financial management strategies within the School Department.

Of course, while this new culture is, arguably, still evolving, the initial challenges that differences between Town and school cultures posed were overcome. Today, the Town and the different school sites that it works with continue to keep the lines of communication open so that future and/or potential culture clashes can be handled in a manner that minimizes problems. And at the end of the long process of drafting the official Consolidation Plan, Barnstable had in place a process to follow for merging the Town and school finance and human resource functions, the major components of that plan follow.

1. According to Town Finance Director, Mark Milne, to fulfill the goal of allowing the School Department and each school site to manage its own budget, and to help the School Department and each school site shift away from antiquated budgeting and data input processes, the Town Finance Department "agreed to take on an auditing and analytical function." To this end, it was necessary to conceive of a new structure for the Finance Department. In the new, consolidated structure, the School Department and its accompanying school sites were viewed as

School-Based Management: A Practical Path to School District Reform

TABLE 4. TOWN FINANCE DIVISION, CONSOLIDATED POSITIONS (U=Union Position)			
Eliminated Positions	Number Eliminated	Created Positions	Number Created
Administrative Assistant	1	Assistance Finance Director	1
Principal Assistants (U)	3	Comptroller	1
Division Assistants/Part-time (U)	2	Financial Analyst (U)	1
School Business Manager	1	Financial Support Team Members (U)	4
Finance Clerk	2	Insurance Coordinator (U)	1
Payroll Supervisor	1	None	
Payroll Assistant	1	None	
Payroll Clerk	1	None	
	Total=12		Total=8
Estimated Total Cost Savings in Salary		\$75,000	

Adapted from: Town of Barnstable, Finance Division Consolidation, 11.

“customers” of the Town Finance Division. To support the work of the Finance Division, it was necessary that each customer also have its own “decentralized finance support team”. It was also decided, according to Milne, that \$692,835 would initially be allocated from the School Department budget to the Town side in order to cover the cost associated with the consolidation and the new responsibilities that the Town would acquire.

2. The new structure in place, it was decided that the Finance Department would provide most financial services to the schools, including: 1) assessing operations; 2) treasury operations; 3) budget operations; 4) accounting operations; 5) property management operations, and; 6) tax and bill collection. It was made clear in the Consolidation Plan that the Finance Division would not: 1) determine how its customers would spend appropriations; 2) supervise school buildings or grounds or provide needs analysis for capital improvements; 3) supervise information technology services, student transportation, or food services, or; 4) undertake any grant writing.

3. Once the services to be provided were made clear, it became necessary for the Finance Department and the School Committee to decide which positions were no longer needed. It was further necessary to delineate the new positions that would be needed to fulfill the

goals of the plan. Importantly, Barnstable chose to work very closely with the Barnstable Municipal Employees Association (BMEA) to ensure a smooth path to change; failure to work together, it was understood by most involved, would likely mean a troubled path to consolidation. Ultimately, five union and one non-union positions housed in the municipal finance office were eliminated in addition to six non-union positions that were housed in the central office of the School Department. The 12 eliminated positions were replaced with eight new positions, six of which are now union affiliated. In total, the consolidation meant a net loss of four municipal and school department positions but a net gain of one position for the Barnstable Municipal Employees Association. Town Finance Director Mark Milne stresses that pains were taken to ensure minimal job loss and to provide training so that current employees would have the opportunity to remain employed by either the School Department or the Town. Nonetheless, employees who did not have or acquire the skills to succeed in the new environment had to be let go. Table 4 shows a list of positions that were eliminated and created under the consolidation and provides an estimate of the cost savings that derived from the new structure of the Finance Department and its decentralized school sites.

4. With a new and largely decentralized structure in place, and with new positions relevant to the consolidation's goal established, the Finance Department was poised to move ahead with training new employees and decentralized site staff members at each school. That process, which is very relevant to how the consolidation and site-based management efforts within the Town merged, is described in greater detail in the next section of the brief, which recounts how the process of fiscal migration in Barnstable aligned with the Town's efforts to make every principal the manager of his or her own school site.

[B]oth Barnstable's Finance and Human Resource directors firmly believe that the consolidation might not have been as successful had it not been for the time and resources that went into training school site personnel to use the town data system.

5. Although separate from the effort to consolidate the Town and school finance departments, the move to give the Town responsibility for school human resource functions in Barnstable followed much the same process as the financial consolidation. Moreover, the goals of the human resource migration were very similar to the goals of the financial migration. According to Barnstable's Human Resource Director, William Cole, there was a great need within the school system for accuracy with regard to reporting. "We took a phased-in approach," says Cole, "when we merged the benefits administration, for example, we discovered that there hadn't been an audit in some time; people were on the wrong plan, some were receiving insurance that they shouldn't have been receiving." In sum, the challenge for the new human resource team was not only to understand the culture of the School Department and its schools but, more specifically, to uncover inaccuracies in data and reporting that had contributed to poor human resource and financial management strategies within the School Department.

6. With these goals in mind, the Town Human Resource Department, like its financial counterpart, also made changes in staffing. However, while some functions and positions were made obsolete, there was not, ultimately, a change in head count on the human resources side. Notes Cole, "we did save roughly \$30-35,000 that derived from pay differences; the majority of the pay difference stemmed from moving from two human resource directors to one." By the time the consolidation was complete, the Town Human Resource Department was responsible for: 1) administering the recruitment and selection process for all non-teaching positions, 2) coordination of substitute teachers, 3) maintenance of the classification plan, job evaluation and job description development, and 4) oversight of attendance and leave accruals.

[T]ransparency and accountability in the school system, achieved through accurate information gathering and reporting, were the main goals of the consolidation.

Clearly, no matter the services to be consolidated, any city or town can learn from the planning process that Barnstable put in place. Recognizing not only that any plan had to be built around clear goals and would involve some degree of uncomfortable change and sacrifice, those involved in implementing the aforementioned steps in Barnstable paved the way to a successful consolidation early on. Of course, the next phase of Barnstable's consolidation effort, the actual implementation of the draft Consolidation Plan would also depend upon an attitude that embraced revision, open communication, and some degree of improvisation on the part of all involved parties. Implementation was by no means an easy process, but it was accomplished successfully and within a timeline that came reasonably close to meeting the Town's established goal.

Step Four: Implementation

With a clear plan to follow, those responsible for

School-Based Management: A Practical Path to School District Reform

implementing the consolidation in Barnstable understood the end goals of their work and the steps necessary to achieve them. The presence of this plan did not guarantee, however, the absence of obstacles along the way or that revisions to the plan would be unnecessary. With new positions filled, training personnel for their new functions and for their work with the Municipal Information System (MUNIS) became the focus of implementation.

Training, which is widely cited in Barnstable as a second key to the success of the consolidation, was hands-on in nature. It required Finance and Human Resource Department personnel as well as School Department information technology personnel to spend a significant amount of time at the various school sites. There were many lessons learned along the way, especially with regard to the different ways in which schools and finance and human resource personnel are accustomed to learning. However, both Barnstable's Finance and Human Resource directors firmly believe that the consolidation might not have been as successful had it not been for the time and resources that went into training school site personnel to use the town data system.

[I]t must be recognized that site-based management requires school leaders, many of whom are already stretched thin, to assume additional responsibilities.

Indeed, the end result of the enormous time and effort that went into training is a district environment in which budgets are comparatively easy to predict and balance and in which school site personnel and School Committee members alike can, at any time of the day, access complete financial and human resource information about the budgets and people that they manage. Outgoing School Committee Chairman Ralph Cahoon notes the great difference he sees in terms of information accuracy and delivery post consolidation: "We receive monthly reports now that tell us, pretty much to the penny, where we stand; where before [the consolidation], I didn't trust the math."

It is, perhaps, this sentiment from Cahoon that provides the greatest testament to the success of Barnstable's consolidation effort. For, transparency and accountability in the school system, achieved through accurate information gathering and reporting, were the main goals of the consolidation. Any town or school district experiencing budget difficulties or problems with data tracking and information would be well-served to strongly consider the benefits that Barnstable has reaped from its decision to consolidate.

Step Five: Constant Evaluation and External Input

While it is accurate to say that the Consolidation Plan drafted in Barnstable in 2004 has now been fully implemented both at the municipal level and at the various school sites, it would be premature to suggest that consolidation in Barnstable is complete. According to former Superintendent and current School Committee member, Tom McDonald, it is conceivable that any number of Town and school functions could be consolidated in the future. Whether or not further consolidation occurs is a matter of an identifiable need, an identifiable benefit and, perhaps, the political will to do so. Most importantly, the process of evaluating whether further consolidation is necessary and feasible is part of the process of constantly evaluating the success of consolidation efforts. Says McDonald, "we must constantly stop to ask: 'How are we doing? What can we do better? What makes dollars and what makes sense for the students in Barnstable's schools?' "

To that end, the Town of Barnstable has committed itself to bringing in outside evaluators to gauge its success and elaborate upon what it could do better. A June 2007 evaluation of the town's efforts, which included a survey of employees affected by the consolidation at all levels, concluded that the level of financial service, especially, in Barnstable's schools has improved with consolidation. While the report did note some difficulties in implementing human resource functions at the school sites, it also indicated that with increased communication and ongoing training, such issues were likely to be

resolved. On the whole, it is important to note, the tone of the evaluation was positive. According to Town Manager, John Klimm, the Town intends to request another outside evaluation be performed in the near future.

[T]he Barnstable consolidation team had to engage in the painstaking task of developing a detailed budget for every school site. All costs associated with running each school, from utility bills to payroll, had to be accounted for and included.

The emphasis on outside assessment and evaluation should provide a valuable example for any community looking to follow the Barnstable model. The steps to consolidation outlined above provide a valuable guide for how one Massachusetts town gave its schools a better chance at success by dramatically changing the ways in which they were financed and managed. Without a willingness to assess and improve upon its progress, however, it stands to reason that Barnstable would not be where it is today.

A “How-To” Guide to Aligning Consolidation Efforts with School-Based Management

From the start, consolidation in Barnstable was focused on providing school leaders and School Committee members with the information they need to manage schools in an efficient and transparent manner. Although not the only factors, state and federal education policy environments that were increasingly focused on accountability for outcomes only made the need to meet these goals more urgent. With a system in financial disarray, it was becoming increasingly difficult for all involved to focus educational resources in a manner that made a difference to student achievement.

Importantly, though, the move to site-based management, which many believed would boost outcomes for students, preceded Barnstable’s effort to deliver better information at the school level via consolidation. With the early success in the district of two Horace Mann Charter Schools, a “philosophy of site-based management” had, according to incoming School Committee Chair Patrick Murphy, “already taken hold.” Thus, the consolidation effort in Barnstable, if successful, would only serve to enhance, not facilitate, site-based management practices district-wide.

The latter point is particularly important when considering how Barnstable’s consolidation team, School Committee, and district leaders worked to align the overall consolidation effort with management at each school site. In brief, those working for consolidation did not have to gauge the political will for a move to site-based management; by the time consolidation proceeded, then-Superintendent Tom McDonald was ensuring that school leaders were making the transition to becoming not only instructional leaders but school CEOs as well.

Gigliotti attributes an increase in math scores at his school to some of the flexibility he has gained with site-based management.

Of course, this does not mean that other cities and towns interested in initiating site-based management should fail to gauge the willingness of constituents to take on such a responsibility. For, while many both outside of and inside Barnstable attest to the benefits that site-based management can bring, it must be recognized that site-based management requires school leaders, many of whom are already stretched thin, to assume additional responsibilities. Some school leaders will be wary of taking on additional responsibilities; others may be unwilling or incapable.

What follows is a brief synopsis of the important steps that Barnstable took to align its consolidation efforts with the existing practice of site-based

School-Based Management: A Practical Path to School District Reform

management, especially in its non-charter schools. As with the process outlined for the consolidation effort in previous sections of this brief, those interested in learning from Barnstable's experience should be willing and able to adapt this specific process to the political and other realities of their own cities, towns, and districts.

Step One: Transfer Responsibility to School Leaders and Provide Them a Model

According to Principal Frank Gigliotti, as he transitioned from being a principal in a traditionally managed public school to the instructional leader and CEO of the site that he now manages, the most important tool he received was the confidence and support of the district's superintendent. Making the move to site-based management, Gigliotti points out, required a willingness to experiment as well as a willingness to take responsibility for both success and failure. "Having confidence that the superintendent was 100% behind you," says Gigliotti, made all the difference.

In Barnstable, the superintendent at the time saw site-based management as an important tool for achieving better student outcomes in the district. Moreover, as a former charter school leader, then-Superintendent Tom McDonald could not only provide advice to principals, he could also point to models of site-based success. It is perhaps, those models for site-based management that allowed McDonald to fully support his principals, providing them with the confidence they needed to move ahead. McDonald firmly believed that if he could be CEO of a school site that others could do it as well. However, McDonald was also aware that some of his

colleagues would not ultimately be willing or able to handle the many new responsibilities that they would acquire; because of this, he was poised to make tough decisions regarding keeping and placing appropriate leadership in Barnstable's schools.

While the major management training that principals would receive in Barnstable would not come until the consolidation effort was underway and principals could see and manage their site-based budgets, the early transition to site-based management involved apprising principals of the new responsibilities, especially with regard to discretionary spending, that they would be able to take on. For McDonald and his principals this entailed keeping the lines of communication constantly open. It meant, says McDonald, "sitting and meeting with every principal in every building," and committing to a multi-year process.

Barnstable has seen an overall increase in student performance since the consolidation effort was undertaken.

Communication and modeling in this way was the key to providing principals in Barnstable with the confidence they would require to take on their new roles. Other communities looking to transition schools to a site-based model would do well to keep these important components of Barnstable's transition in mind.

Step Two: Identify and Deliver School-Based Budgets

The next step was in some ways the most important

TABLE 5. GENERAL STEPS TO ALIGNING CONSOLIDATION AND SITE-BASED MANAGEMENT EFFORTS

Step 1: Transfer Responsibility to School Leaders and Provide Them a Model	Requires one-on-one training led by personnel experienced in site-based management
Step 2: Identify and Deliver Site-Based Budgets	Requires extensive time and commitment on the part of School Department and site personnel—a distinct and accurate budget must be developed for each school site
Step 3: Training, Training, Training	Requires input from finance, human resource, and information technology personnel and use of one, standard municipal data tracking system.

and most time consuming aspect of aligning the consolidation effort with school-based management techniques. Prior to consolidation in Barnstable, as in most places, all school budgets had been centrally housed. Problematically, central office had not tracked budgets in a manner that attached dollar amounts to the budgets required or spent at each school site. This, in particular, hampered the effort for site-based management, for if nobody knew the real cost of running an individual school, then it was difficult to devolve a sound budget to the school level for principals to control. Given this, the Barnstable consolidation team, with great cooperation from principals and other school staff, had to engage in the painstaking task of developing a detailed budget for every school site. All costs associated with running each school, from utility bills to payroll, had to be accounted for and included.

Notes Tom McDonald, before the process of creating an individual budget for each site began, “we could tell you if someone worked in the district, but we couldn’t tell you where.” Problematically, staff who would “float” from school to school might therefore receive a paycheck from the school where they happened to work most Fridays. This meant that the school would bear the budgetary burden of paying the full salary of a staff member who only spent one-fifth of his or her week working at that site. And such a budgetary injustice is only one example of the challenges that McDonald and his team faced in figuring the actual budget for each site. The larger consolidation effort notwithstanding, an effort to gain a clear idea of what it cost to run each school in the district and to then make that money available to school leaders was the key to making a true transition to site based management. Moreover, much like the process of acclimating school leaders to the idea of their new roles, the task involved plenty of one-on-one time with principals and staff at each site. “At each school,” says McDonald, we had to go line-by-line to figure out what costs were.” The same task was undertaken at the central office of the School Department.

Today in Barnstable, the benefits of having comprehensive site-based budgets to work from are

TABLE 6. SITE-BASED BUDGETS, BARNSTABLE PUBLIC SCHOOLS	
School	Budget
Barnstable/West Barnstable Elementary	\$1,926,094
Centerville Elementary	\$2,174,599
Cotuit Elementary	\$1,140,066
Marstons Mills Elementary	\$1,231,323
Marston Mills East Horace Mann Charter School	\$3,149,221
Hyannis East Elementary	\$2,624,517
Hyannis West Elementary	\$2,603,025
Osterville Elementary	\$1,712,071
Barnstable Horace Mann Charter School	\$6,605,393
Barnstable Middle School	\$6,839,042
Barnstable High School	\$13,938,941

Source: Town of Barnstable, Finance Department

clear. With precise data, the Town Finance Department can accurately perform its auditing function, sending to each school site a detailed accounting of its overall budget and fixed costs. This allows principals, according to Frank Gigliotti, “greater confidence to move things around.” “Now,” he says, “I can take discretionary funding from program X and move it to program Y,” where the need might be greater. Prior to the site-based reforms “I would simply be wondering ‘how much have I used?’” Indeed, Gigliotti attributes an increase in math scores at his school to some of the flexibility he has gained with site-based management.

And such information gives one the power to make small changes that can add up to substantial savings. McDonald notes, for instance, that when he ran the Barnstable Horace Mann Charter School a decision was made to remove every other light bulb in the hallway in an effort to save money: “no one noticed that we had a little less light, but it made a big difference in our bottom line!” Interestingly, similar changes and savings were seen at the School Department once the Town Finance Department began to understand

School-Based Management: A Practical Path to School District Reform

how budgets had historically been handled. Town Finance Director, Mark Milne, notes that the town derived substantial savings by switching the School Department's telephone service over to one, lower-cost carrier. Prior to the consolidation, different offices in the School Department were served by different phone service providers. Indeed, phone service had been switched so many times and with so little attention to cost, that nobody had a clear idea of who the provider was or how much the Department was actually paying for such a vital service.

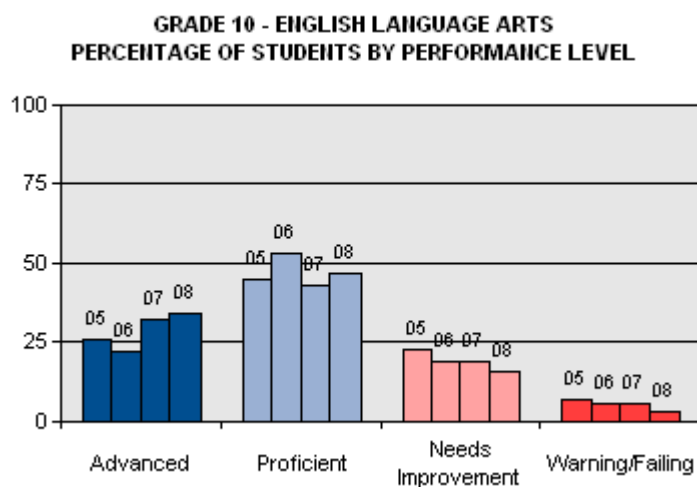
These examples, though seemingly small, point to some of the benefits that a school district can derive from thorough accounting and data-tracking, whether those functions are meant to enhance site-based management efforts in schools or not. "Now when mistakes happen," says McDonald, "they are smaller and easier to rectify." With new site-based budgeting techniques in place, it is highly unlikely that Barnstable will ever again find itself with an

unforeseen budget deficit of 2.5 million dollars. Perhaps more importantly, as indicated by Figure 1 below, Barnstable has seen an overall increase in student performance since the consolidation effort was undertaken in 2005.

Step 3: Training, Training, Training

Already described as part of the general consolidation effort, training of school site personnel was a critical step in ensuring that school leaders be able to effectively manage their site-based budgets. Finance, Human Resource, and Information Technology personnel worked closely with school leaders and their support staff until they understood the municipal data tracking system. More importantly, they continued to work with school staff until those staff further understood what the data available to them would mean for effective school management techniques.

FIGURE 1. BARNSTABLE, PERFORMANCE GROWTH, GRADE 10, 2005-2008*



*Grade 10 is provided as an indicator because it is the first year that students participate in the MCAS graduation examination.

Massachusetts Department of Elementary and Secondary Education, http://profiles.doe.mass.edu/ayp/ayp_report

With new site-based budgeting techniques in place, it is highly unlikely that Barnstable will ever again find itself with an unforeseen budget deficit of 2.5 million dollars.

Indeed, because some support staff in schools were required to take on new and more demanding roles with regard to data entry and data-tracking, raises were given to those staff throughout the district. All involved point out that the overall cost of these pay increases was a very small price to pay in exchange for the accuracy and transparency in reporting and management that the district has gained by aligning its consolidation and site-based management efforts. Other cities and towns interested in Barnstable's efforts should note not only that training personnel to manage site-based budgets is a key to success but also that effective training is ongoing and delivered whenever necessary and feasible.

Conclusions and Recommendations

The effect of consolidation and of a culture of site-based management in Barnstable can be seen, many argue, in its increased student achievement in recent years. Of course, there have been other benefits reaped from these processes, most of which contribute to the overall aim of improving education.

While it is tempting to concentrate not only upon student results but also on the cost savings derived from consolidation, it is important to remember, as all parties interviewed for this work pointed out, that overall cost savings were not the goal of Barnstable's education reforms. Instead, the major outcome for which proponents of consolidation were aiming was an efficient and transparent system of budgeting and school management that allowed the town to devolve as much money as possible to each school site. It is from the school sites, those in charge in Barnstable believe, that the best and most important decisions about students and school improvement come.

Other cities and towns looking to learn from the Barnstable experience can benefit by taking to heart a few important recommendations given by those who saw the consolidation and site-based management efforts in Barnstable through from beginning to end. Those recommendations are:

- 1.** Carefully assess the pros and cons of consolidation in your locality and have a clear goal before initiating the consolidation process.
- 2.** Realize that cost savings are likely a perk of but not a reason for consolidation.
- 3.** Know where your resources, human and otherwise, reside and plan any consolidation effort accordingly.
- 4.** Be sure to achieve the consensus and understanding of all involved parties before proceeding with any effort to consolidate town and school functions.

5. Be aware that in merging town and school functions, you are merging two distinctly different business and educational cultures.

6. Proceed with a willingness to revise processes along the way, but always keep the original goal of consolidation in mind.

7. Commit not only financial and human resources but also time to the process of training and of bringing each and every relevant constituent on board—the value of training cannot be underestimated.

8. Understand that a commitment to ongoing evaluation, especially by an outside party, is key to the success of any consolidation effort—the process of making schools more efficient and accountable and of making data more accurate and available is ongoing and can always be improved. In the end, the story of Barnstable could be the story of any Massachusetts town. Regardless of size, demographics, or location, the real tools needed to effect educational change are the political will to do so and the hard work of willing people. Barnstable is a testament to this idea. And such hard work brings with it many unforeseen benefits. From better lines of communication between school and town employees to the creation of an entirely new culture that merges municipal and education functions, most in Barnstable express a general sense of satisfaction with the change that has occurred there, and most are eager to share what they have learned with cities and towns throughout the Commonwealth. Says incoming School Committee Chairman, Patrick Murphy, “It was a good thing to do,” and in Barnstable today, there is no looking back.



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Barnstable Consolidation

By

Mark A. Milne, Town of Barnstable Finance Director
William E. Cole, Town of Barnstable Human Resources Director

For years, budget deliberations pitted school and municipal officials against one another. School officials felt the town was hiding resources and municipal officials believed the school department was not forthcoming with their budget information. School spending deficits, failed overrides and the accusations of hiding money back and forth resulted in the deterioration of the community's trust. The annual budget deliberations were similar to a poker game where each side would try to bluff the other in order to gain a financial advantage. This political and financial brinkmanship always resulted in someone suffering the consequences. There was a growing realization that the community was the real loser as our trust and accountability had deteriorated to dismal levels. Each side needed to be able to reveal its cards without the fear of retribution. This was the impetus for consolidation.

Early in the design of the consolidated financial operation it was decided that the human resources functions must also be combined. It was critical to the success of the initiative that the close working relationship that existed between the municipal finance and human resource operations be replicated in the new consolidated operation. A consolidated human resources function would be able to provide the necessary uniformity and consistency of information and advice to both finance and payroll.

With trust and accountability as the driving force the Town Council and School Committee unanimously decided this was a step in the right direction. This

was also a trust issue between the two elected bodies. The School Committee had to trust that the Town Council wasn't trying to micro manage its budget. The Town Council had to trust that the School Committee was genuinely interested in attempting to make the consolidation a reality and it wasn't a ploy to answer the school department's critics and try to find a way to make it fail. As cost savings were a secondary consideration, this allowed the consolidated operations to evaluate all existing positions and re-create new operations using the same amount of financial resources as currently allocated. Several existing jobs were eliminated and several new positions were created. The main focus of many of the new jobs was on auditing and less on data processing to improve accountability. One of the process changes made was to decentralize the data input of financial information throughout the school department. This had already been done in the municipal departments and had led to better accountability and more involved management at the division level.

This decentralization of financial and payroll information coincided well with the School Committee's desire to implement a site-based management philosophy within the district. School personnel were trained in the MUNIS financial system. This provides the central finance operation more time to audit data, perform analytical review and analysis, and prepare and present financial information. On the human resources side, the consolidation created an economy of scale in the areas of recruitment and selection, benefits administration, employee/labor relations, and salary administration. Applicants for both municipal and school positions would now only have to interact with one centralized department. The centralization of benefits administration allowed for a greater amount of auditing and review that identified several opportunities for efficiency improvements and cost savings.

The focus of the consolidated operations was not to make decisions regarding the allocation of financial and personnel resources between town departments and even between school sites. It was considered important that the consolidated

operations be exempted from this decision so as not to create the perception that it worked towards gaining additional resources for any one particular operation. The decision to allocate resources would remain with the elected bodies and Chief Executive Officers. The Town of Barnstable also has two Horace Mann Charter Schools within its school district. The treasuries and general ledgers of the charter schools have been consolidated with the towns as well. The Town Treasurer provides cash management and investment services to the charter schools and the Town Comptroller provides general ledger services resulting in savings for these operations.

The cooperation and commitment to making this endeavor successful should not be underestimated. It takes time and patience to work out the many fine details and a willingness to show your cards without suffering any consequences. It is promoting an awareness that we are all belong to one community and that we are all working towards one common mission: providing the best possible services to the citizens of the town and protecting our unique character and quality of life.

COMMISSION ON DISABILITY, TOWN OF ARLINGTON

20 ACADEMY STREET, SUITE 203, ARLINGTON, MASSACHUSETTS 02476-6436 (781) 316-3431



Allan Tosti
Chair Arlington Finance Committee
730 Massachusetts Avenue
Arlington, Ma. 02476

Dear Mr. Tosti:

As suggested by the Finance Committee at their meeting of January 19, 2011 the Arlington Commission on Disability requested funding from the Planning Department / Redevelopment Board to replace the brick entrance from the drop off area at 27 Maple Street with a smoother, safer and more accessible surface. The Arlington Commission on Disability has since been informed by Carol Kowalski, Director of Planning & Community Development, that the \$3,300 in funding needed for this project would not be available at this time.

The Commission has decided to request funding for this accessibility project at Town Meeting. Support of the Finance Committee for this request would be appreciated.

Yours truly,

A handwritten signature in cursive script that reads "Jack Jones".

Jack Jones
Director of Housing & Disability Programs

COMMISSION ON DISABILITY, TOWN OF ARLINGTON

20 ACADEMY STREET, SUITE 203, ARLINGTON, MASSACHUSETTS 02476-6436 (781) 316-3431



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Yours truly,

A handwritten signature in cursive script that reads "Jack Jones".

Jack Jones
Director of Housing & Disability Programs

From: Carol Kowalski [mailto:CKowalski@town.arlington.ma.us] **Sent:** Tuesday, March 01, 2011 9:28 AM **To:** Gloria Turkall; 'Brian Sullivan'; 'Adam Chapdelaine' **Subject:** Re: Sale of Parmenter, Crosby, and 23 Maple Street

Gloria,

A deeper analysis is needed, but I hope this information is helpful:

23 Maple Street:

The tenant at 23 Maple pays \$50,000 per year in rent. Two department salaries are offset by the revenue from 23 Maple Street and the Central School. Income from these buildings also helps cover costs at the Jefferson Cutter House.

Parking for the Central School tenants is on the 23 Maple Street lot. If we opt to sell 23 Maple, we'd have to choose between selling it with parking easements, which is likely to depress the sales price, or we'd have to renegotiate the leases for the Central School tenants without parking, thereby reducing the value of the lease revenue.

Parmenter/Crosby:

The consultant report on the Parmenter & Crosby Schools is attached. No further study has been undertaken since the completion of this report.

Carol



TOWN OF ARLINGTON

MASSACHUSETTS 02476
781 - 316 - 3090

DEPARTMENT OF PLANNING and COMMUNITY DEVELOPMENT

M E M O R A N D U M

To: Redevelopment Board

Cc: Brian Sullivan

From: Carol Kowalski, Director of Planning & Community Development

Date: February 4, 2011

Re: 23 Maple Street information update

Attachments: aerial photo, Central School & 23 Maple tenant parking plan

At its meeting on January 24, 2011, I brought to the Redevelopment Board's attention the Town Manager's or Board of Selectmen's interest in examining the opportunity to sell a number of Town-owned leased buildings, including 23 Maple Street. The Redevelopment Board requested additional information on 23 Maple Street, one of the three buildings in the Central School Urban renewal project under the jurisdiction of the Redevelopment Board. Below is relevant background on the building. In a separate memorandum I will provide a more detailed update on the capital improvements.

Tenant:

Northeast Family Institute. NFI provides temporary stays for up to 11 adolescents whose families are temporarily unable to care for them. Stays are typically for less than 45 days. Clients are bused to their school district or are tutored on site. Clients do not attend Arlington Schools unless they are from Arlington.

Annual lease revenue:

\$50,282.16 per year; 5,408 sq. feet. The lease was extended according to the terms of the original lease. Current lease expires July 31, 2011. Tenants are interested in renewing their lease.

Town's operating costs:

NFI, the tenant, pays operating costs.

Town's Capital costs:

In 2006, the Planning Department agreed to undertake a program of needed capital improvements and repairs on the building, some of which are completed, some of which are programmed in the capital budget plan.

Roof repair/replacement

Gutters/downspouts, cornices, soffits, fascia

Replace electrical system

Replace carpets first floor (work completed)

Replace or restore windows/siding

Replace/upgrade heating, install air conditioning (work completed)

Site:

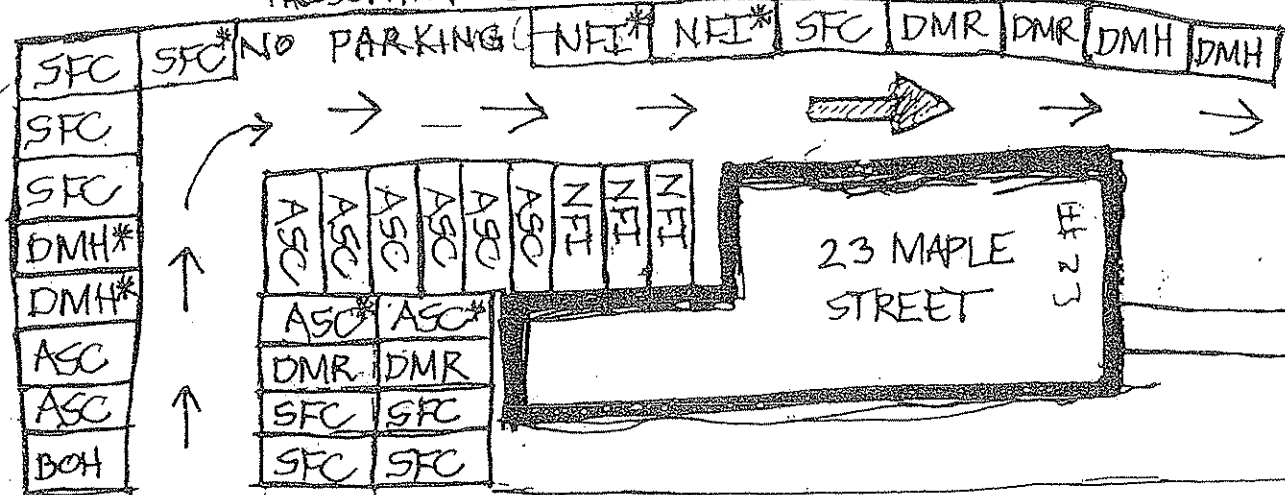
The lot is 18,375 square feet, approximately 75% of which is egress and parking for the Central School and 23 Maple Street tenants.

The property is in a historic district. All exterior work must be approved by the historic district commission and receive a certificate of appropriateness prior to the issuance of a building permit. The commission may deny applications for demolition.

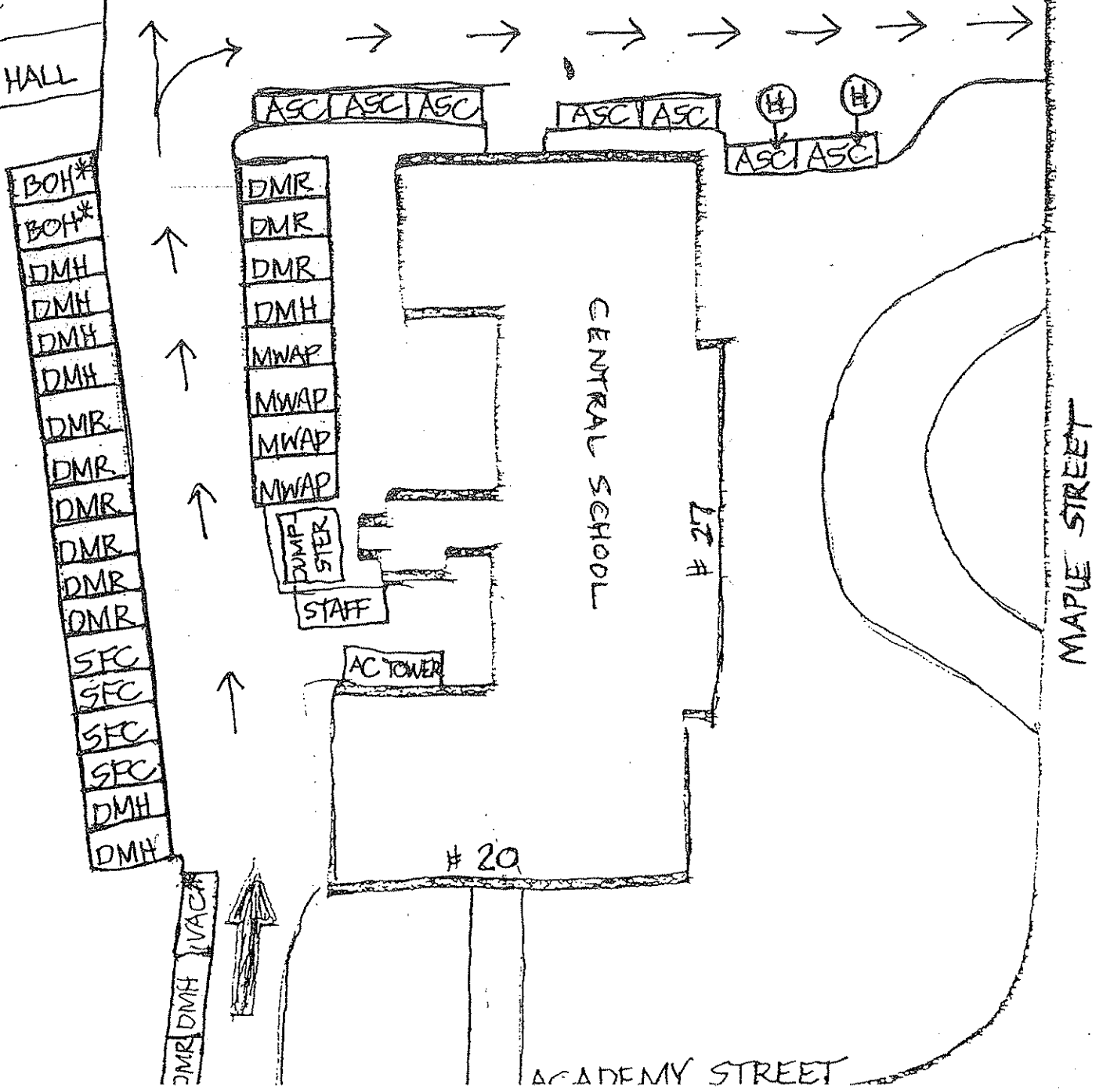
Please let me know any additional information the Board needs.

ASSIGNED PARKING SPACES - 2007 - 7/5/07

THEOSOPHICAL SOCIETY



TOWN HALL



Questions asked by Town Treasurer, Stephen Gilligan

* Article 51 directs the Town Manager to implement a consolidated Town-School Finance Department. Mr. Jones indicated to me that he wanted to have a study done by the Town Manager and presented to next years Town Meeting. Can we clarify the intent of Article 51?

* Is the intent that all of the Town's financial departments, which are the Assessors, Comptrollers and Treasurers operations will report directly to a CFO or equivalent?

* Is it the intent that Article 51 to remove the School Departments fiscal autonomy?

* If it is a report that the Warrant Article is recommending, will it require specific data/tasks to be analyzed or reported on?